

Message Text

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ACTION ARA-14

INFO OCT-01 ISO-00 SSO-00 INRE-00 USIE-00 AID-05
CIAE-00 COME-00 EB-08 FRB-03 INR-10 NSAE-00
TRSE-00 XMB-02 OPIC-03 SP-02 LAB-04 SIL-01 OMB-01
OES-07 L-03 /064 W

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O 141923Z MAR 78

FM AMEMBASSY NASSAU

TO SECSTATE WASHDC IMMEDIATE 603

C O N F I D E N T I A L SECTION 1 OF 2 NASSAU 0544

E.O. 11652: GDS

TAGS: ECON, EINV, EAID, ENRG, PFOR, MARR, US, BF

SIOJ: BAHAMAS - UNITED STATES ECONOMIC COOPERATION TALKS

REFS: (A) STATE 47668; (B) NASSAU 422; (C) STATE 55152

1. FOLLOWING IS TEXT OF OPENING STATEMENT BY R.E. BAIN,
SECRETARY TO BAHAMAS CABINET, AND LEADER OF BAHAMIAN
DELEGATION, AT MEETING WITH THE U.S. ECONOMIC TEAM (REF C)
HEADED BY STEPHEN ROGERS, ARA/ECP, STATE, MARCH 13.

QUOTE GENTLEMEN,

I TAKE GREAT PLEASURE IN WELCOMING THE DISTINGUISHED
LEADER OF THE UNITED STATES DELEGATION AND HIS TEAM TO THE
BAHAMAS. ONE MEMBER OF THE DELEGATION IS RESIDENT IN THE
BAHAMAS AND I TRUST THAT HE HAS HAD FIRST-HAND EXPERIENCE OF
BAHAMIAN FRIENDSHIP AND GOODWILL. FOR THOSE WHO MIGHT BE
VISITING THE BAHAMAS FOR THE FIRST TIME, I HOPE YOU WILL ENJOY
YOUR STAY AND THAT YOU WILL NOT ALLOW FORMAL DISCUSSIONS IN
THIS CONFERENCE ROOM TO CROWD OUT AN OPPORTUNITY TO ENJOY THE
FACILITIES WE HAVE TO OFFER FOR THE ENJOYMENT OF VISITORS.

I PROPOSE AT THE OUTSET TO MAKE A GENERAL STATEMENT OF
THE POSITION OF THE GOVERNMENT OF THE BAHAMAS FOR THE PURPOSE
OF THESE TALKS.

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IT IS THE VIEW OF THE GOVERNMENT OF THE BAHAMAS THAT THE
SECURITY AND STABILITY OF THE COUNTRY DEPENDS VERY LARGELY UPON
THE ECONOMIC VIABILITY OF THE BAHAMAS.

BOTH OUR COUNTRIES HAVE EXISTED IN FRIENDLY ASSOCIATION
AS NEIGHBOURS OVER A LONG PERIOD OF TIME AND THERE IS NO REASON
TO SUPPOSE THAT THE FRIENDLY COOPERATION WHICH HAS BECOME
TRADITIONAL WOULD LAPSE IN THE FUTURE.

BUT IT IS ALSO REASONABLE TO CONCLUDE THAT THE SECURITY OF BOTH COUNTRIES IS A JOINT RESPONSIBILITY TO WHICH EACH COUNTRY SHOULD CONTRIBUTE ACCORDING TO ITS CAPABILITIES. THE BAHAMAS IS FACED WITH A NUMBER OF PROBLEMS WHICH REQUIRE ECONOMIC SOLUTIONS. THESE INCLUDE A YOUNG AND RAPIDLY GROWING POPULATION, FEW NATURAL RESOURCES, A SCATTERED TERRITORY AND AN OPEN ECONOMY. BUT THE COUNTRY HAS A FEW ASSETS WHICH IT IS FELT COULD BE DEVELOPED AND EXPLOITED IN SUCH A WAY AS TO CONTROL THE EFFECT OF THE PROBLEMS.

THE UNITED STATES OF AMERICA HAS TRADITIONALLY REMAINED THE MAUN TRADING PARTNER OF THE BAHAMAS. INDEED FOR EVERY DOLLAR EARNED BY THE BAHAMAS SOMETHING LIKE 75 CENTS IS SPENT IN THE UNITED STATES AND RECENTLY BAHAMIANS HAVE COME TO REPRESENT ONE OF THE HIGHEST CATEGORIES OF VISITORS TO THE UNITED STATES.

IT SEEMS NATURAL FOR THE BAHAMAS TO LOOK TO ITS MAIN TRADING PARTNER FOR COOPERATION IN THE DEVELOPMENT OF ITS ECONOMY, QUITE APART FROM THE SECURITY INTERESTS WHICH WE SHARE.

THE BAHAMAS GOVERNMENT HAS GIVEN LONG AND CAREFUL CONSIDERATION TO ITS SCHEDULE OF PRIORITIES FOR ECONOMIC AND SOCIAL DEVELOPMENT AND NOW HAS A FRAMEWORK INTO WHICH INDIVIDUAL PROJECTS MIGHT BE INSERTED. BUT THE MAIN PURPOSE AT THESE TALKS WILL BE TO BRING TO THE ATTENTION OF OUR NEIGHBOUR AND TRADING PARTNER THE IMPORTANCE OF MAINTAINING A SITUATION OVER A LONG PERIOD OF TIME IN WHICH THE ECONOMY OF THE BAHAMAS COULD DEVELOP AND FLOURISH ALONG THE WILINES SET BY ITS OWN
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PRIORITIES. IT IS HOPED THAT WITH THE ASSISTANCE AND CO-OPERATION OF THE UNITED STATES OF AMERICA THE BAHAMAS GBVERNMENT WOULD BE ABLE TO ACHIEVE ITS GOAL OF ECONOMIC VIABILITY.

IT IS THE UNDERSTANDING OF THE BAHAMIAN DELEGATION THAT THE PURPOSE OF THIS FIRST ROUND OF TALKS IS TO EXPLORE THE POTENTIAL FOR COOPERATION AND HOPEFULLY TO FIND A BASIS FOR AGREEMEN ON ECONOMIC COOPERATIONBETWEEN OUT TWO COUNTRIES. THAT BASIS, WE WOULD CONTEND, SHOULD BE CONSISTENT WITH THE NEEDS OF THE BAHAMAS AND SHOULD OBSERVE A SCALE OF PRIORITIES APPROVED BY THE BAHAMAS GOVERNMENT FOR SATISFYING THOSE NEEDS OVER A LONG TERM PERIOD.

AMONG OTHERS, THE BAHAMAS HAS ESTABLISHED THE FOLLOWING AREAS OF LONG TERM PRIORITUES:

- (1) THE CONTINUED DEVELOPMENT AND EXPANSION OF THE TOURISM SECTOR IN ALL THE ISLANDS OF THE COMMONWEALTH.
- (2) THE DEVELOPMENT ON AGRICULTURE AND FISHERIES IN AN EFFORT TO INCREASE THE DOMESTIC INPUT INTO THE TOURISM SECTOR.
- (3) THE CONTINUED DEVELOPMENT AND UPGRADING OF TRANSPORTATION FACILITIES PARTICULARLY THOSE ERVING THE MAJOR SECTOR, BUT INCLUDING FACILITIES FOR THE MARKETING OF PRODUCTS FROM AGRICULTURE AND FISHERIES.

(4) THE CONTINUED DEVELOPMENT OF EDUCATION AT ALL LEVELS
WITH SPECIAL EMPHASIS ON THE RECENTLY ESTABLISHED COLLEGE
OF THE BAHAMAS FOR THE PURPOSE OF PROVIDING THE TRAINED
MANPOWER NEEDED FOR LONG TERM DEVELOPMENT.

(5) THE DEVELOPMENT OF HOUSING AND INFRASTRUCTURE.

(6) THE CONTINUED DEVELOPMENT OF BANKING.

THE BAHAMAS GOVERNMENT HAS ESTABLISHED STATUTORY MACHINERY
FOR THE LONG TERM GROWTH OF ITS ECONOMY. THESE ARE WHOLLY
GOVERNMENT-OWNED CORPORATIONS WHICH WOULD FUNCTION IN ACCORD-
ANCE WITH GOVERNMENT POLICY. THEY ARE:

THE BAHAMAS DEVELOPMENT CORPORATION ACT FOR INDUSTRIAL
DEVELOPMENT

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FM AMEMBASSY NASSAU

TO SECSTATE WASHDC IMMEDIATE 604

C O N F I D E N T I A L SECTION 2 OF 2 NASSAU 0544

THE HOTEL CORPORATION OF THE BAHAMAS ACT FOR DEVELOPMENT
OF TOURISM

THE BAHAMAS AGRICULTURAL CORPORATION ACT FOR THE DEVELOPMENT
OF AGRICULTURE AND FISHERIES

THE COLLEGE OF THE BAHAMAS ACT FOR MANPOWER TRAINING

THE BAHAMAS DEVELOPMENT BANK ACT FOR MOBILIZATION OF
DEVELOPMENT CAPITAL FROM A VARIETY OF SOURCES INCLUDING
LOCAL AND FOREIGN SOURCES.

IT IS THE HOPE THAT ECONOMIC ASSISTANCE FOR LARGE
SCALE AND LONG TERM PROJECTS WITHIN OUR SCALE OF PRIORITIES
WILL BE FUNDED IN THE MAIN THROUGH THE BAHAMAS DEVELOPMENT
BANK WHETHER THEY BE SPONSORED BY GOVERNMENT CORPORATIONS OR
BY PRIVATE ENTERPRISE IN THE BAHAMAS.

NO MENTION HAS BEEN MADE OF SPECIFIC PROJECTS. IT IS
THE VIEW OF THE BAHAMIAN DELEGATION THAT THESE ARE DETAILS
WHICH CAN BE ADJUSTED TO FIT THE FRAMEWORK ALREADY OUTLINED.
EXAMPLES OF THESE MIGHT WELL EMERGE IN DISCUSSION.

WE ARE MOST GRATEFUL FOR THIS OPPORTUNITY TO STATE THE

POSITION OF THE BAHAMAS GOVERNMENT TO THE DISTINGUISHED
DELEGATION OF THE UNITED STATES OF AMERICA. UNQUOTE

2. BAHAMIAN DELEGATION ALSO CONSISTED OF BAHAMAS ECONOMIC
COMMITTEE (REF B) WITH EXCEPTION OF BALTRAM BETHEL, PRESENTLY
IN LONDON FOR TOURISM DISCUSSIONS. GURTH ARCHER, PS FOR
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MINISTRY OF ECONOMIC AFFAIRS, AND AN ECONOMIST (HIGGINS)
FROM MEA WERE ALSO PART OF BAHAMIAN DELEGATION. ARCHER HAS
ALSO BEEN DESIGNATED SECRETARY OF THE BAHAMAS ECONOMIC COMMITTEE.

3. FOR INFORMATION RETRIEVAL PURPOSES ONE COPY OF FIVE
LAWS CITED PARAGRAPH 1 ABOVE ARE BEING FORWARDED VIA UNCLASSIFIED
POUCH TO FOLLOWING: DAVID PIERCE, ARA/CAR, STATE; MRS. LAURALEE
PETERS, ARA/ECP, STATE, AND W. FRED JOHNSON, AID/W.

4. REPORT ON ECONOMIC DISCUSSIONS FOLLOWS IN SEPTTEL.
SCHWARTZ

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